

## REMARKS

### Amendments to Drawings

The drawings are amended to introduce reference numerals 5 and 10 to the drawing which were inadvertently omitted from the original drawing.

### Amendments to Specification

The specification is amended to delete paragraph [0008], which is not relevant under U.S. practice and to improve the description in a manner such that the description of banknotes unfit for circulation is consistent throughout the description. Essentially the amendments to the specification are intended to make the description of the fitness of banknotes consistent with paragraph [0024].

No new matter has been introduced by the amendments to the specification.

### Claim Amendments

The claims are amended to improve the recitation of subject matter for which protection is sought and in particular in a manner to avoid any possible confusion with regard to the meaning of the "state of the banknotes" in relation to the fitness of the banknotes for circulation. Additional amendments have been introduced to make the claim language consistent throughout.

Support for the amendments to the claims is found throughout the specification and in particular paragraphs [0024], [0009], [0010] and [0014].

### Claim Rejections – 35 USC §102

The examiner contends, in rejecting claims 1-13, that Matzig WO 02/50784 fully anticipates the claimed subject matter.

The examiner argues that Matzig teaches the claimed method and apparatus because the control unit (17) of Matzig is arranged to actuate the transport system in such a way that banknotes *not fit for circulation* at least partially are transported into the not accessible storage pocket, citing paragraphs 29-32.

What the examiner overlooks is that, in accordance with paragraphs 37-39, it is clear that the control (17) controls the separator (7) so that the banknotes *not recognized by the*

*checking device (10) or not suitable for circulation are transported via the diverter (11) to the output compartment (4) that serves as a reject compartment and which is available to the customer (39:1-5).*

The language of this document is clear in describing transportation of the banknotes not fit for circulation to an output compartment (4) that is available to the customer.

Moreover, the diverter (11) causes banknotes recognized as false or suspected of being forgeries to be transported into the separate storage compartment (14) in the end cassette (15) that is not accessible to the customer (39:5-8).

Thus, it is manifestly clear in Matzig that all banknotes unfit for circulation are diverted to the accessible reject compartment (4) and none are transported to a storage pocket that is not freely accessible by the operator during an ongoing money deposit transaction.

Accordingly, the rejection of claims 1-13 under 35 USC §102 is not warranted and withdrawal of the rejection is appropriate.

The examiner further contends that the specification fails to set forth a specific definition for fit and unfit bills that would substantiate Applicant's interpretation of the claims in question. The examiner further contends that false or forged bills are not fit for circulation and would satisfy the claim language given its broadest reasonable interpretation, thereby warranting rejection in view of the teachings of Matzig.

Applicant disagrees with the examiner and submits that the application absolutely defines the meaning of bills fit for circulation by describing the manner in which the bills are checked in the checking device 5 as set forth in paragraph 24 of the application, and further in view of the language in paragraphs 9, 10 and 14.

As stated in paragraph 24:

[0024] For determining the state of the bank notes BN, i.e. their fitness for circulation, the checking device 5 can have one or more sensors, which detect e.g. optical soiling (spots, inscription), flaws, tears, dog ears, wear, limpness etc. The data provided by the checking device 5 are evaluated by the checking device 5 itself or by the control unit 11. For this purpose threshold values are predetermined, which when exceeded or undershot indicate a bad or good state of the bank notes and thus their fitness for circulation.

Throughout the specification, it is clear that the expression "the state of the banknotes" refers to the fitness of the banknote for circulation and nothing else. When reference is made to other bills, a different expression is used, such as "authentic" and "recognized" (see paragraph 14).

The examiner's attention is also drawn to the language in paragraph 14 wherein it is clear that, in accordance with the process and apparatus recited in the claims under consideration, the banknotes, following the checking procedure, are supplied to one of three possible storage pockets 6, 7 or 8. In the first storage pocket 6, rejected banknotes not accepted by the checking device 5 are dispensed. The first storage pocket 6 is accessible to the operator.

Into the second storage pocket 7, also accessible to the operator, all banknotes which were recognized to be authentic by the checking device and, *the state of which is so good, that the banknotes BN are suitable for further circulating in the money circulation, are placed.*

All other banknotes, which the checking device accepts to be authentic, are transported into the third storage pocket 8, which is not accessible to the operator.

Thus, it is clear that banknotes determined to be unfit for circulation must be included among said "all other banknotes" which are transported into the third storage pocket 8 that is not accessible to the operator. No other possible interpretation of this language would be logical.

Accordingly, it is submitted that the specification clearly delineates banknotes that are in a state fit for circulation from all other banknotes, such as those that are recognized or not recognized by the checking device as well as those recognized to be "authentic" by the checking device.

The claims are thus distinguishable over Matzig, which dispenses all unfit bills into an operator accessible reject pocket 4, a procedure contrary to the principle of operation underlying the claims of this application.

Matzig thus allows bills unfit for circulation to be placed back into circulation because the bills are made available to the operator during a deposit transaction, while the present invention prevents such bills from being placed into circulation during a money deposit transaction. Clearly, the present invention cannot be regarded as anticipated by Matzig given the fundamental differences between the methods and apparatus of the Matzig publication and the claims defining the present invention.

All of the above comments are directed not only to the patentability of claims 1 and 8, but to the dependent claims 2-7 and 9-13, which are patentable at least on the basis of the patentability of the independent claims 1 and 8 to which they refer. In addition, the aforesaid

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Examiner: Mark Hageman

Art Unit: 3653

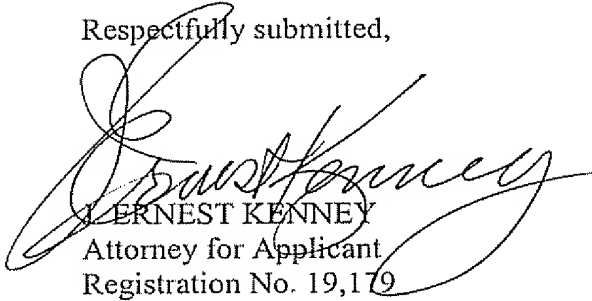
dependent claims recite patentable subject matter apart from the independent claims in which they depend, considering the subject matter as a whole.

Applicant submits that the claims of the application as currently amended are fully distinguishable over the cited art of record and that withdrawal of the rejection of the claims is appropriate.

The application having been placed fully in condition for allowance, its passage to issue is requested.

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